

**11—111.2(8A) Disposal of state surplus property.** The director shall dispose of all personal property of the state under the director's control when the personal property becomes unnecessary or unfit for further use by the state. This rule establishes the procedures for inspecting, selecting and removing surplus property from state agencies or from state storage.

**111.2(1) Means of disposal.** The director may dispose of unfit or unnecessary personal property by auction or other method of sale, trade-in, salvage, recycling, donation or transfer, or may properly and safely dispose of it by other means.

**111.2(2) Proceeds from disposal.** Except for proceeds from the sale of vehicles and printing equipment or except as otherwise provided by law or rule, proceeds from the sale of personal property by the director shall be deposited in the general fund of the state.

**111.2(3) Transfer.** Personal property may be transferred between state agencies in lieu of other means of disposal when the receiving agency has a business use for the personal property.

**111.2(4) Disposal agreement.** The director may enter into agreements with not-for-profit organizations or governmental agencies to dispose of state surplus. Notwithstanding subrule 111.2(3), when the director disposes of surplus property by donation, the disposal of such property shall be in accordance with an agreement established pursuant to this subrule between the department and a surplus property program agent. A surplus property disposal agreement shall contain, at a minimum, the following components:

*a. Identity of parties.* The agreement shall be between the department and the surplus property program agent.

*b. Purpose.* The purpose of the agreement shall be for the disposal of state surplus.

*c. Definitions.* Terms having special meaning to the agreement shall be defined.

*d. Project description.* The process utilized for disposal of state surplus and the rights and responsibilities of the parties under this agreement shall be described.

*e. Compensation and fees.* The agreement shall specify any fees charged by the surplus property program agent for removal and transportation of the state surplus. When the surplus property program agent adds value to the property transferred to it and sells the property, the proceeds from the sale shall be retained by the surplus property program agent and shall not be deposited in the general fund of the state.

*f. Geographical or commodity conditions.* The agreement shall specify any geographical conditions that may apply and any restrictions on the types of commodities accepted by the surplus property program agent.

*g. Title to state surplus property.* The agreement shall specify the declaration form required to transfer the surplus property and shall specify that title to the surplus property shall transfer to the surplus property program agent when the surplus property and the declaration form for the surplus property are in the possession of the surplus property program agent.

*h. Duration of agreement.* The duration of the agreement shall be specified as not to exceed six years, with annual reviews conducted by the parties.

*i. Liability and indemnification.* The agreement shall specify the liability and indemnification terms, such as parties' responsibilities for damage to state buildings and leased spaces as a result of performance of the agreement.

*j. Default and termination.* Default and termination conditions shall be specified.

*k. Contract administration.* The method or procedures for contract administration shall be specified, including provisions for monitoring compliance.

*l. Execution.* The agreement shall be signed by the director and the surplus property program agent.

**111.2(5) Use of additional disposal agreements.** Where more than one agreement is in place in a particular county or region of the state, state agencies shall utilize the surplus property program agents on a fair and equitable basis.

**111.2(6) Identifying items for disposal.** State agency staff designated by the head of a state agency or designated department staff may identify unused property within state office areas and determine whether the unused property is scrap or salvageable surplus property.

**111.2(7)** *Removal of surplus property.*

*a.* Requests from agencies to remove surplus property may be processed through the department on the capitol complex.

*b.* Requests from agencies to remove surplus property may be sent directly to the surplus property program agent.

*c.* State agencies or designated department staff may remove surplus property from a building's office area or state storage to the building's surplus property staging area.

**111.2(8)** *Disposal of hazardous waste.* When the director or director's designee concludes that personal property provided for disposal is contaminated, contains hazardous waste, or is hazardous waste, the state agency providing such property for disposal is responsible for the hazardous waste disposal fees.

**111.2(9)** *Surplus property sale by state agencies.* The director may authorize one or more individuals within a state agency to sell surplus property located outside Polk County by public auction when the director determines this is the most cost-effective method of disposal. The net proceeds from the sale shall be deposited in the general fund of the state.

**111.2(10)** *Disposal of printing equipment.* The director may dispose of presses, printing equipment, printing supplies, and other machinery or equipment used in the printing operation pursuant to Iowa Code section 8A.341. The receipts from the sale of presses, printing equipment, printing supplies, and other machinery or equipment used in the printing operation shall be deposited in the printing revolving fund established in Iowa Code section 8A.345.

**111.2(11)** *Disposal of surplus office modular components, furniture and equipment.* Disposal of surplus office modular components, furniture and equipment shall be carried out pursuant to 11—subrule 100.6(7).